counts of popular movements in behalf of the sion in North Carolina and Tennessee. These large demonstrate that the course of the Union is Vancing steadily southward.

RETIREMENT OF GENERAL SCOTT.

Since your last adjournment Lieutenant General Scott has retired from the head of the army. Dur-ing his long life the nation has not been undful of his merit, yet on calling to mind faithfully, ably and brilliantly he has served the country from a time far back n our history, when few of the now living had, been born and thenceforward continually, I cy.nnot but think that we are still his debtor. I submit, therefore, for your consideration what fv.rther mark of recognition is due to him and ourse'.ves as s grateful people.

APPOINTMENT OF GENERAL MICHELLAN AS COMMAND ER-IN-CHIEF.

With the retirement of General Scott came the executive duty of appointing in his stead a general-in-chief of the army. It is a fortunate circumstance that nei ther in council nor country was there, so far as I knew, any difference of on as to the proper person to be selected The retiring chief repeatedly expressed his judgment in favor of General McClellan for the position, and in this the nation seemed to give a one concurrence. The designation of General McClellan is therefore in a coasiderable degree the selection of the country as well as of the Executive, and bence there is better reason to hope there will be, given him the confidence and cordia support thas by fair implication promised, and without which be cannot with so full efficiency serve the country. It has been said that one had tter than two good ones, and the saying true, if taken to mean no more than an arm er directed by a single mind, though infe rior , than 'try two superior ones at variance and cre as purposes. And the same is true in all joint ns wherein those engaged can have none at a common end in view, and can differ only as to the choice of means. In a storm at sen no on board can wish the ship to sink, and yet not unwill direct and no single mind can be rilowed to

PEOPLE.

It continues to develope that the insurrection is \*\*Sargely, if not exclusively, a war upon the first principle of popular government—the rights of the people. Conclusive evidence of this is found in the most grave and maturely considered public documents, as well as in the general tone of the insurgents. In these documents we find the abridgement of the existing right of suffrage, and the denial to the people of all right to participate in the selection of public officers, except the legislative body, advocated with labored arguments to prove that large control of the govern-ment in the people is the source of all political evil. Monarchy itself is sometimes hinted at assa possible refuge from the power of the people. In my present position I could scarcely be justified omit raising a warning voice against this approach of returning despotism.

CONSIDERATION OF CAPITAL AND LABOR-POPULA PIGHTS AND POPULAR INSTITUTIONS.

It is not needed nor fitting here that a genera argument should be made in favor of popular institations; but there is one point, with its connections, not so hackneyed as most others, to which i sek a brief attention. It is the effort to place capital on an equal footing with, if net above labor, in the structure of government. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else owning copi-tal, somehow by the use of ft, induces him to labor. This assumed, it is next considered whether it is best that capital shall hire laborers, and true inthem and drive them to it without their concer Having proceeded so far, it is naturally con-cluded that all laborers are either bired laborers or what we call slaves; and farther, it is assumed that whoever is once a bired laborer is fixed in that condition for life.

Now there is no such relation between capi. and protection to the commerce of the later of October, when the new capital the control of the c such thing as a free man being fixed for ics at a advy points on the Abrica i san in the condition of a bired laborer. Both of dering passage on the river damage us. these assumptions are false, and all inferences from them are groundless. Labor is prior to and independent of capital. Capital is only the trust ade has been one of great labor new will assume the laboratory of the laboratory o ent of capital. Capital is only the truit not first existed. Labor is the superior of capital denied that there is, and probably always will be, a relation between labor and capital producing mutual benefits. The error is in assuming that the whole labor of a community exists within that relation. A few men own capital, and that few avoid labor themseves, and with their capital hirs or buy another few to labor for them. A large majority balong to neither class; neither work for others nor have others working for than. In most of the Southern States a majority of the whole people of all colors are neither slaves nor masters, while in the Northern a large majority are neither hirers nor hired. Yen with their families, wives, some and daughters work for themselves, and asking no favors of capital on the one hand, nor of hired laborers or slaves are hand, nor of hired laborers or slaves and asking no favors of capital on the one hand, nor of hired laborers or slaves.

The test of booklasting the coast is mustive and in their same and asking no favors of capital on the one hand, nor of hired laborers or slaves.

The test of booklasting the coast is mustive same asking the coast is mustive size. The test of booklasting the coast is mustive size.

The test of booklasting the coast is mustive same asking and the coast is mustive size.

The test of booklasting the coast is mustive same asking the coast is mustive size. one hand, nor of hired laborers or slaves the other. It is not forgotten that a considerable number of persons mingle their own labor with capital-that is, they labor with their own hands and also buy or hire others to labor for them; but this is only a mixed and not a

Again, as has already been said, there is not, of mecossity, any such thing as the free hired laborer theing fixed in that condition for life. Many independent men, everywhere in these States, a few yours back in their lives, were hired leaverers. The prudent, penniless begger in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hiros another new beginner to help him. This is the just and generous and prospersus system which opens the way to all gives hope to all, and consequent energy and progress and improvement of the condition of all. No man living are more worthy to he

distinct class. No principle stated is disturbed by

the existence of this mixed class.

OUR NEW NAVY.

Secretary Welles' Report to the President.

How an Efficient Navy Can Be Improvised by an Energetic People.

Six:—The report from this department under date of 4th July last exhibited the condition of the navy, the administrative measures taken to augment its efficiency, and the general course of its operations up to the com-mencement of the late special session of Congress. The mlarged estimates of expenditure for the naval service then submitted, contemplated, especially, three different lines of naval operations, upon an extended scale, as donamed of havat operations, upon an extended scale, as do-manded by the situation of the country. These were -1. The closing of all the insurgent ports along a or at line of nearly three thousand miles, in the form and an-der the exacting regulations of an international blo chade, including the naval occupation and defence of 'he rote-macriver, from its mouth to the federal cap' at, as the boundary line between Maryland and Virgin'an, and also

the main commercial avenue to the princip at base of our military operations.

2. The organization of combined naval and military expeditions to operate in force against Y arious points of the Southern coast, readering efficient, naval co-operation with the position and movement of such expeditions when landed, and including also all needful havat aid to the army in cutting off intercon' munication with the robels and in its operations on the W assissippi and its tributaries;

might escape the vigilarice of the blockading force and

put to sea from the row i ports.

These were duties which the navy was called upon at the same time to proper for and perform, and they ob-ationed a trips was more ardeous, it is believed, in come respects, than has before been demanded from the meri-time power of any government. I proceed to report briefly the efforts which have been made for its accomplishment.

The limited number of ships and men at command when the proclamation announcing the blockade of the ports of the insurgent States was issued, and the inade-quate means provided by the last Congress for the emergency devolved upon the department, the bacessity for calling late immediate service not only all the naval forces, but vessels from the commercial rearine. Purchases were accordingly made and charters hartily executed for the exigency, and orders perempterily issued to forthwith equip and prepare for service the public vessels that were dismantled and in ordinary at the several yards. The force thus basely gathered was placed along our coast and divided into two squadrers, one of which, designated as the atlantic blockading regulation, held for its field of toperation the whole count extending from the casterony at fine of Virginia to Cape Torida, and was under the command of Fing Officer Sizes H. Stringham. The other, Gr. Gulf squairon, operating If satisfiam. The other, or fail squairon, operating from the Florida we thank to the Rio Grande, was commanded by Play Officer Wiffiam Mervino. These endours repaire to their stations of its were reinforced from time to this by the strival of so ch vessels as were despatched to their commands, and, andse their supervision and direction at the ports upon their stations were subjected to a blockade as right and I effective as the peculiar that we of our marking frontier, which has through a large periods of its cultive stations were subjected. of our maritime receiver, where has through a large per-rion of its entire extent a double coast, innor and enter-would admit. Our principal saved vessels are not, from their great draft of water, atapted to blockeds save to enour shallow coast, which has been guarded with ox-treme difficulty. The ports of North Carolina e specially, situated within the interfer shallow waters is their sounds and inless, efforded youther facilities to a cices of small vessels, sided by faundulent papers and foruga flags, to clude the tight see of the southed slipe which special duty it was to later liet commerce with the land

gents.

It became necessary at an early period to place a noticia on the lower determine. A variety of circumstances combined to render the riverfound using about noted by testeries on the Virginia side. For expenditure, the test of the termination of the contraction of the contrac cut and, succosed distance effecting f themsend have been at any come and of the expected, in Exopering therefore one a for extremedal perpress, and rearretings to a great fatton, or ununication, between the apposite shares. In a 2to here a declarge of this day the first commender of a bellouise seat his less; but the navy continued to capie to every robet vessel which showed decision the colors it, and to give score by

of labor, and could have never existed if labor had force that added to the squadrons, the best is of the insurand descrees much the higher consideration. supply the pressing necessities that additional the table Capital has its rights which are as worthy of the robel States. The defies map, west upon the day of protection as any other right. Nor is it colleges became expressioningly ar dames, and con-

capture of Forts Hatterss and Clark. The entiregarriso and the command of Summel Barron, recently and for Poarly fifty years an officer of the navy, surrender after sustaining great loss, while not a life was sacrificed nor an individual of the Union forces wounded. Amoused is the report of Fig. Officer Stringham of this Achievement, with the letter of approval and congresulation of this department. The military force was madequate to follow up this brilliant view by securing a position upon the main land, and the caprophilating and protecting the loyal feeling which had begun to develope itself in North Carolina.

the main land, and there a propitating and protecting the boyal feeling which had begun to develope itself in North Carolina.

It was inter ted that the success at Platteras should have been for lowed in Suptember by a more formidable expedition, and the seizure of a more important position further stath. Owing to various courses, independent of the Nay y impartment or the condition of the navy, this more nent was unavoisably posteponed until the 20th of Oct. Our, when a feet of forty-sight sail, including transit is a larger squadron than ever before assembled index our day, let Hampton Reads. Captain Samuel F. Dupont, then recently appointed Flag Officer, an officer of great skill and experience, and possessing the entire confidence of the department, was a lected to command this expedition. In addition to his general professed ability, he had, through careful study and investigation, as Clairman of the Saard which had been ordered in June, so cial qualification and thorough preparation for the highly important and responsible position assigned to him. Informated of the policy and views of the government in regard to the expedition, prompt to execute its wishes, and having made himself familiar with every eligible pot ten the Saathern Atlantic cost, he as commander of the expedition, was intrusted with the selection, within prescribed limits, of the place where the first assails should be unade.

After secondification, causing the wreck of several of the transports, and compelling even some of the smaller wester before once the first reason, which partially dispersed the squadron, causing the wreck of several of the transports, and compelling even some of the smaller was described before Port Royal, one of the best, though neglected, harbors on our Southern coast, on the 5th day of November. So some at the channel could be built for the arrangement for school and the most admirable gamenty were exhibited in the atlack, which was of such tremedical property, armam in and papers, while our naval forces took, sa

therewives have, in anticipation of our action, placed obstructions in the fiver at Fort Pulaski, it appended to the
report.

Without specifying in detail the autrarious meritorious
achievements which have, during the year, done honor
to the naval service, I append departches of the communiora, communicating the brace and hereic conduct
which has been displayed by our avail officers, sainers
and marines, whose interpolity, course and levality were
there more marked than in this effection.

A ravel force, actions to won connected with the
variety novements on the Mustarian and its tibrations,
has been organized, and is ander the command of this
Odicer Audrew II. Foote, who is rendering efficient service in that quarter.

The sterm is which have been built or purchased for
this service by the War Popastment are of a formal liable
chiracter, and manned by acclosed a special examon and
Wester's beatmen, who is the preliminary schroniches
already, have done good service, and will, I am considers,
acquit themselve with condit in the future. Reserve are
applicated exhibiting some of the operations of this comminimizes auxiliary to the story movements on the beauting.

PURSARTE SHAVATERES.

Were a natural that any changes, should proved in the

Captain Chara wanters in a minuted of the You house, the boards of Chara manning in con-wing the character was a minuted of the You house, and the boards of Chara manning in con-wing the character was made to the Sature 190 con-was a from marker with a large for service at a mill step, the misothers where caused a library to be a few to the property of comments of the content of the content of Colonia There is a minute of thus for traces.

The prompt state decision defines of Traces in William Service of the content of the conten

be instanced at one in the court in sale, delication and design at more worthy to be trusted than those who totil up from poyacty, none loss inclined to touch aught which they have not hencestly caused. Let flame beware of sagrendering a political power which they already possess, and which, if surrendered, will surely be used to close the dear of advancement and surrendered, will surely be used to close the dear of advancement and surrendered, will surely be used to close the dear of advancement and surrendered to the control of the surrendered will be lost.

From the first taking of our national consus to like last are seventy years, and we find our population at the end of the profession dight times as great as it was at the beginning. The increase of those other things which men decan desirable has been even greater. We thus have, of one view, what the popular principle, applied to government through the machinery of the Sinter and the Union, has produced in a given time, and also what, if the Union has presence, at the surrender of the surrender of the Sinter worther through the machinery of the Sinter worth and the Union, has produced in a given time, and also what, if the Union has presence, and the great task.

Washinoton, Dec. 3, 1801.

Washinoton, Dec. 3, 1801.

Put in com-mination or ready forces for a unid ce's Ordinal in the property and sprace 1861. 1861. 1861. April 27 July 30 Sept. 10 April 20 Late May June 29 April 17 May 27 June 20 F. Lgistes April 20 May 1 May 21 April 20 June 20 June 25 April 30 June 30 June 18 April 5 May 2 May 8 April 9 April 20 May 50 New York ... When the vessels now building and purchased, or every class, are armed, equipped and ready for service, the condition of the mavy will be as follows.—
OLD NAVY.

105.271 Ships Schooners Barks Brigs 71,297 16,787 11,661 8,460 4,660

the three bare and the terminal of the server than a transfer of the public arms of very size.

Most of the public arms of very size of such size and draught of water that they could reader only imparted blockading savice, immediate measures were taken by the department to carry into effect the publicy of the government, in advance of the special were on at Compress, by contracting for the construction of twenty-three storages, which should be of light draught but heavy armsment. Congress, at the regular resiston, lead at the rized to building of seven serve steamers and as there were four yards, in each of which two might be built, the department, in the entiting one gard, and in ascipation of the action of congress when it should convene, direct cod, the construction of each divising thou may two classes of about one thousand and is arriven humber discretioned the action of the operation of the construction of each of each Congress not only senting the standard of the construction of the second congress to the second congress of about one thousand and is arriven humbered the greater of the construction of the construction of the construction of the construction of the department in the construction of the process of about one thousand and is arriven humbered the further construction of twenty associated steamers, of light drought, of six of larger capacity, to be modelled one burning to the construction of the others are in and process towers formation, in which they are been also the construction, which is presented the latter of the modelled of the construction of the second arrived by which they are been several arrangements on addition, which they are considered, of lifty two new assessments peculiarly daspet to the property the lade or case guard dry, added to the new years of the second arrangements and department of the langer.

completed, of lity-two new steemers, peculiarly adapted to the require the lackede or classificated of y added to the require the lackede or classification of the policy of smalley we seem have been ordered to be brilly to steem, as well as heavy reluming Jun become an incorporation of the most of the most of the state of the section of the section

The second control of the second control of

Sary so a sweat a beard to examine the floor of am bat-

It can be completed, and the expediency thereof, I appointed Commodores Silas H. Stringham and William Inman, Captain T. A. Bornin, Chief Engineer A. C. Stimers, and Joseph lenny, Enq., Secretary of the Smithsonian Institution, a commission, and directed them to assemble on the lat of November to proceedite the examination. The department has information that the board convened, but has as yet received no report of its proceedings.

counsy to the 18th of October and place on the 5th of November, under authorization by the same law, for retiring such marine of core as have become incapable of performing the deternet their office. This board is compered of Calend John Harris, command on of the corps, President Rever Make Jacob Zenin, Macor William B. Stack, Surgeous Solomon Starp and Charles P. Maxwell, members, and P. T. Woodhury, Isq., Judge Advo. atc.

Availing the maleves of the previsions of the act referred to, saveilal officers of the pavision, beau placed on the list of refrect success, after having been forty years in the pervise of the List of States.

ATES APPONDENTS.

In my report at the commencement of the special session 1 made mention of the fact that the appointment of acting fluctuations has been comered on exting galdement who had a theel from the cavy in penceral times, but who, when the lang was assuied, promptly tendered their services in its deceme, it was not within the power of the department to restore those gentlemen to the line of premetron, but they were place in the pelicion of, and assigned to dity as, acting leutenants, who e they have reade effects when we had a reflect from the search that the pelicion of, and assigned to dity as, acting leutenants, who e they have reade effects at finiteers, bott Roya, the Carl, or clowless. There are fifteen of these tomerry movaled as who have a reflect of these tomerry may income an experiment, there have been appointent of the seguination of increase to themselves and the country.

In purpasses of the pole y indicated by Compress at the extra a section, there have been appointed from the collects, who have reflected the penched from the collects, who have the reflect of these therefore the temperature of the first and the country.

In purpasses of the role y indicated by Compress at the extra a section there have been appointed from the collects, who become a considered from the collects.

There has been but one reseal to zermad secure.

Cartino as start.

There has been but one reseal to zed by the African separation for bung engage in the start for a to see secure to the start of the what well is the roat of completing the same, how soon at New York on the 10th of July, is charge of Highlip.

man G. A. Borchert, and was turned over to the United

It can be completely and the expediency thereof, I apposed to the completely and the completely and the pointed Commonlo on Silks H. Afrinches and William Inst., "ayana", A., Devain, Clark Engineer A. C. Silment States, a commission, and directed them to see archive the control of the contr

miscellaneous objects. 2,422,478 00 The reports of the carefu of the bureaus and the contract of the bureaus and the contract of the nation and of the majority of the careful of the objects for which the appropriations are required. I would also refer to these reports as a national information and suggestions in regard to matters bottaining to the several departments of the naval service.

the naval service. CONCIDENTS.

In concluding this reports it gives me pleasure to not knowledge the important and I have received in the administration of the department from the real-unitarities.

direction.

To the patriotic officers of the pavy and the heave men who, in characters are of naval action, have according

ON WELLES, Seprelley of the Many.

## THE POST OFFICE.

Synopels of the Postmaster General's Re-

point.
It a mount that the whole nonabor of post of beauta the United Source on the South of June, 1801, was 28,000, and that the online number of cases actof upon during the